



U.S. Department of Justice  
Office of the United States Trustee  
Region 2

Southern District of New York

IN RE:

HSP Liquidation, LLC (fka Hollander Sleep  
Products, LLC), et al.,

DEBTORS.

CHAPTER 11

CASE NO. 19-11608 (MEW)  
(Jointly Administered)

**HOLLANDER WIND-DOWN TRUSTEE'S POST-CONFIRMATION  
QUARTERLY OPERATING REPORT  
FOR THE PERIOD**

FROM 10/1/2019 TO 12/31/2019

Comes now the Hollander Wind-Down Trust<sup>1</sup> and files its Post-Confirmation Quarterly Operating Report in accordance with the Guidelines established by the United States Trustee and FRBP 2015.

In accordance with 28 U.S.C. Section 1746, I declare under penalty of perjury that I have examined the information contained in this report and it is true and correct to the best of my knowledge.

Signed::

Date:

1/17/2020

Tim Daileader

Print Name

Authorized Signatory, Drivetrain, LLC, as Trustee

Title

Debtor's Address  
and Phone Number:

c/o Drivetrain, LLC, as Trustee  
410 Park Avenue, Ste 900  
New York, NY 10022  
Tel. (212) 856-9700

Attorney's Address  
and Phone Number:

Pachulski Stang Ziehl & Jones LLP  
780 Third Ave. New York, NY 10017  
Tel. (212) 561-7704

<sup>1</sup> The Hollander Wind Down Trust EIN is 84-66734557.

QUESTIONNAIRE		
	YES*	NO
1. Have any assets been sold or transferred outside the normal course of business, or outside the Plan of Reorganization during this reporting period?		X
2. Are any post-confirmation sales or payroll taxes past due?		X
3. Are any amounts owed to post-confirmation creditors/vendors over 90 days delinquent?		X
4. Is the Debtor current on all post-confirmation plan payments?	N/A	

\*If the answer to any of the above questions is "YES," provide a detailed explanation of each item on a separate sheet.

HSP Liquidation, LLC (fka Hollander Sleep  
Products, LLC), et al.,

INSURANCE INFORMATION		
	YES	NO*
1. Are real and personal property, vehicle/auto, general liability, fire, theft, worker's compensation, and other necessary insurance coverages in effect?	X	
2. Are all premium payments current?	X	

\*If the answer to any of the above questions is "NO," provide a detailed explanation of each item on a separate sheet.

DESCRIBE PERTINENT DEVELOPMENTS, EVENTS, AND MATTERS DURING THIS REPORTING PERIOD:
<p>On September 5, 2019, the Court entered its <i>Findings of Fact, Conclusions of Law, and Order Confirming Debtors' Modified First Amended Joint Plan Pursuant to Chapter 11 of the Bankruptcy Code</i> [Docket No. 356] confirming the Plan (capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Plan). On September 13, 2019, the Effective Date of the Plan occurred. See <i>Notice of (I) Entry Confirmation Order, (II) Occurrence of Effective Date, and (III) Related Bar Dates</i> [Docket No. 371].</p> <p>Pursuant to the Plan, on the Effective Date, the Debtors sold substantially all of their assets to Bedding Acquisition, LLC (the "Purchaser") in accordance with the Asset Purchase Agreement and established the Wind-Down Trust. Drivetrain, LLC, was appointed the Trustee and Plan Administrator for the Wind-Down Trust. The Plan Administrator is responsible for, among other things, "... wind[ing] down the Debtors' businesses and affairs ... and administer[ing] the liquidation of the Post-Effective Date Debtors and any assets held by the Wind-Down Trust ...". See Plan at Article IV.D. This includes the authority "to File, withdraw, or litigate to judgment objections to Claims or Interests." <i>Id.</i> at Article VII.B.</p> <p>Since the Effective Date, the Plan Administrator has assumed all responsibilities for the administration of the Post-Effective Date Debtors' affairs that were previously undertaken by the Debtors prior to the Effective Date and has dedicated considerable time and effort to a multitude of tasks, including, without limitation, (a) familiarizing itself with the assets, liabilities and unfinished business of the estates, (b) overseeing closings of remaining operations, (c) coordinating case administration with the Canadian Information Officer in respect of the CCAA proceedings, (d) analyzing claims, and (e) engaging in related sale transition, plan implementation, and wind-down activities.</p> <p>The Plan Administrator and its professionals are in the process of reviewing and analyzing the merits of the asserted Claims. However, they have not had a sufficient opportunity to complete this comprehensive and time-consuming task. Thus, the Plan Administrator has filed a <i>Motion for an Order Further Extending the Periods to File Objections to Claims</i>. By the Motion, the Plan Administrator seeks to extend the Administrative Claims Objection Bar Date by 120 days to May 29, 2020 and extend the Claims Objection Bar Date by 240 days to November 6, 2020. To date, the Plan Administrator has filed its first omnibus claims objection and first notice of satisfaction of claims, seeking to expunge approximately 52 Claims. The Plan Administrator has paid allowed 503(b)(9) claims in the aggregate amount of approximately \$1.6 million. The Plan Administrator and its professionals continue to review and analyze the Claims and the Debtors' books and records to reconcile such claims and determine whether and the extent to which they are valid and are continuing to negotiate settlements with certain claimants.</p>
<p>Estimated Date of Filing the Application for Final Decree: <u>N/A</u></p>

**CHAPTER 11 POST-CONFIRMATION  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

<b>Case Name:</b>	HSP Liquidation, LLC
<b>Case Number:</b>	19-11608
<b>Date of Plan Confirmation:</b>	9/13/2019 (Effective Date)

All items must be answered. Any which do not apply should be answered "none" or "N/A".

	<b>Quarter</b>	<b>Post Confirmation Total <sup>1</sup></b>
1. <b>CASH (Beginning of Period)</b>	\$ 11,980,845.46	\$ 11,980,845.46
2. <b>INCOME or RECEIPTS during the Period</b>	\$ 862,793.51	\$ 862,793.51
3. <b>DISBURSEMENTS</b>		
a. <b>Operating Expenses (Fees/Taxes):</b>		
(i) U.S. Trustee Quarterly Fees	\$ 375,788.00	\$ 375,788.00
(ii) Federal Taxes		
(iii) State Taxes		
(iv) Other Taxes		
b1. <b>All Other Operating Expenses:</b>	\$ 320,280.31	\$ 320,280.31
c. <b>Plan Payments</b>		
(i) Administrative Claims	\$ 1,604,913.10	\$ 1,604,913.10
(ii) Class 1: Other Priority Claims		
(iii) Class 2: Other Secured Claims		
(iv) Class 3: Secured Tax Claims		
(v) Class 4: Term Loan Claims		
(vi) Class 5: General Unsecured Claims		
<b>Total Disbursements (Operating &amp; Plan)</b>	\$ 2,300,981.41	\$ 2,300,981.41
4. <b>CASH (End of Period)</b>	\$ 10,542,657.56	\$ 10,542,657.56

<sup>1</sup> Post Confirmation Totals reflect amounts for the period of 10/1/19-12/31/19. Effective date of Plan was 9/13/19.

Upon completion of the September 2019 MOR, these totals will be updated to include the period from 9/13/19-9/30/19

## CHAPTER 11 POST-CONFIRMATION PASS THROUGH ACCOUNTS <sup>1</sup>

<b>Case Name:</b>	HSP Liquidation, LLC
<b>Case Number:</b>	19-11608
<b>Date of Plan Confirmation:</b>	9/13/2019 (Effective Date)

All items must be answered. Any which do not apply should be answered "none" or "N/A".

**1a. CASH (Beginning of Period) - Pass Through Accounts**

Quarter	Post Confirmation Total <sup>2</sup>
\$ 6,542,404.88	\$ 6,542,404.88

**2a. INCOME or RECEIPTS during the Period**

\$ 12,563,687.43	\$ 12,563,687.43
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**3. DISBURSEMENTS**

**a. Operating Expenses (Fees/Taxes):**

- (i) U.S. Trustee Quarterly Fees
- (ii) Federal Taxes
- (iii) State Taxes
- (iv) Other Taxes

\$ 0.00	\$ 0.00
\$ 13,095,327.92	\$ 13,095,327.92

**b2. All Other Operating Expenses - Pass Through:**

**c. Plan Payments**

- (i) Administrative Claims
- (ii) Class 1: Other Priority Claims
- (iii) Class 2: Other Secured Claims
- (iv) Class 3: Secured Tax Claims
- (v) Class 4: Term Loan Claims
- (vi) Class 5: General Unsecured Claims

\$ 0.00	\$ 0.00
\$ 13,095,327.92	\$ 13,095,327.92

**Total Disbursements**

\$ 6,010,764.39	\$ 6,010,764.39
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**4a CASH (End of Period) - Pass Through Accounts**

<sup>1</sup> Pursuant to a Transition Services Agreement entered into between the Debtors and the Purchaser on the Effective Date, during the reporting period, the Purchaser continued to use and have access to certain deposit and disbursement accounts of the Debtors maintained at Wells Fargo Bank, N.A., including certain accounts (a) used by the Debtors for customs and bond payments, and (b) used to satisfy expenses paid by the Debtors for the benefit of the Purchaser (the "Pass Through Accounts"). This attachment itemizes the amounts that flowed through the Pass Through Accounts to satisfy obligations of the Purchaser. The amounts reflected on this attachment were not "true" disbursements of the Wind-Down Trust, but rather amounts that passed through these accounts as an accommodation to the Purchaser. Accordingly, the amounts that passed through the Pass Through Accounts should not be used to determine the quarterly fees due to the United States Trustee by the Wind-Down Trust.

<sup>2</sup> Post Confirmation Totals reflect amounts for the period of 10/1/19-12/31/19. Effective date of Plan was 9/13/19. Upon completion of the September 2019 MOR, these totals will be updated to include the period from 9/13/19-9/30/19

Bank / Account Name / Number	Date of Purchase	Type of Instrument	Purchase Price	Current Value	Current Value	Current Value	Current Value